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Where Do We Go from Here?

Address of

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and Distributors of America, Inc.

December 17, 1932

Before the Annual Dinner of

The Indiana State Bar Association
Indianapolis, Ind.

[1]

Where Do We Go from Here?

It's not the size of the dog in the fight—
It's the size of the fight in the dog.

DIFFICULTIES abound.

Our problems are immeasurable in complexity and magnitude. It is no longer necessary to insist upon a recognition of that fact. Such universal recognition is the first essential.

Serious problems cease to be such when they are *regarded* as such.

Recognizing the emergency, we appraise our resources, review developments, credit the energy, courage and intelligence of Americans, and we are re-assured.

It is *true* that there are more money and property values in the United States than ever before. It is *equally* true that our unemployed exceed any previous census.

It is *true* we have more food and more hunger; more courts and more crime; more schools and more illiterates; more churches and more derelict youth than ever before.

We have choked the road of progress with unmarketable products of our fields, our mines and our factories.

Many of our people have become distrustful of their financial institutions; of the integrity of industrial organizations; even of the Government in its struggles to evade threatening disaster.

We confront the necessity of examining our own carefully built structure with a clear and practical eye.

We universally recognize that we must provide repairs and reenforce foundations. We must find new methods—depression-proof, machine age-proof—for insuring the man of humble beginning his right to win and hold a place in the sun.

For us the great inquiry—do we need new roads to world prosperity, with new prophets to lead us, with new gods to worship, with new foundations to build upon?

Or do we simply need to get out of the ditch and again on the road that gave us leadership among nations, helped us to establish a prosperity unparalleled in modern history, and a standard of living for our people far above that of any nation on earth?

My reasoned judgment is that the problems of the immediate future are those of *readjustment,* individual, corporate and governmental.

It is a far cry from the landing of the Pilgrims to the present day, as man measures time, yet it is a mere page in world history.

The Nation *may* be at the parting of the ways, with the financial system breaking down, social fabric showing "runs," and government borrowing money to lend while the Nation's spirituality fails. Yet all of our laws and customs are founded on principles which, if duly regarded, will continue to insure national safety.

I believe that we have in our own hands the determination of the necessary changes to preserve the principles of freedom and individual initiative that our national tradition has established.

We face the task of remodelling many phases of economic life (perhaps of governmental structure) in order that those principles under new economic pressures and problems may continue to be translated into action.

Readjustment Period

We are in a period of *readjustment* made necessary by the fact that our social science has not kept pace with our natural science.

We have been caught up in the meshes of our own productivity. We have built vast engines of progress, but find our roads are too narrow—just as we had the automobile before we had the modern highway, and there was a necessary period during which the roads had to be built.

We have lived 100 years in ten, and may be at the end of a definite era.

I note the declaration of technocracy, that our facilities are now such as that "It is now necessary for the adult population, ages 25 to 45, to work but 660 hours per year per individual to produce a standard of living for the entire population ten times above the average income of 1929."

Admitting all this, we are not to become the victims of that strange astigmatism that considers every stop as the end of the road.

A stop is the beginning of a step.

How, then, are we to meet the challenge—for today *is* a challenge to the best of the brain, the heart and the hand of America.

Where do we go from here?

First, we have to face the facts and recognize the necessities of the moment.

Second, with such recognition we arise in the full faith of accomplishment, with the realization that no form of government experienced by man has built up a greater nation in so short a time as the democracy founded by our fathers; that no system of economic planning has envisioned greater public works, faster industrial progress, than those already achieved in this country; that under no social or economic principle in the history of all the world has greater opportunity been granted the individual; and we have the men and material such as never existed in any country at any time with which to accomplish.

Third, with that recognition of necessity and with that faith *we organize;* that is, we set about to solve the problems, just as for example we set about to quadruple every kind of production to take care of the war—by mobilizing the best brains, the best engineers, the best technologists, the best business men and the best statesmen.

The solution unfolds when we proceed to solve the problem.

Such steps as a five-day week, repeal of archaic and incompetent laws, reduction in cost of government and consequent reduction in taxes—these and other obvious steps quickly will be taken.

Both our thought and action must be tempered with an appreciation of not only its importance and the possibility of doing it, but that there is a community of interest growing out of necessity that probably never obtained before.

I have always said that it is fine to "live and let live", but in my opinion we must begin the planning and the execution with an acknowledgment that this is not enough: *we must live and help live* in America.

I will not further in this presence refer to the necessities; that the problems abound we recognize, just as you realize that there is no infallible remedy for all these ills and just as you realize that there may be remedies suggested that are worse than the disease.

Further, I have thought we have had a sufficiency of "We needers", and might welcome some "We doers."

I do not want to emphasize my own assumption of either role.

What Diagnosticians Find

During the past two years, a thousand diagnosticians—economists and engineers, optimists and pessimists, prophets and politicians—have held the nation's pulse, examined its tonsils and listened to the patient's breathing. Each has told us the country's symptoms and each has come with his own remedy to cure what ailed us.

The facts upon which they all agree are these: We are a nation abounding in natural energy. Ours is a country of unlimited resources. Our technicians are second to none. Our engineers are constantly improving the processes of production, realizing a standard of living for Americans undreamed of in any other country or age. The country's heart is in the right place. Unselfish leadership has risen to the demands of unemployment relief throughout the nation. Our research

laboratories are ready with developments that promise new industries and services. Nature has never been more bountiful.

We have at our doorsteps the genius and the vision and the materials to build the greatest civilization that the human mind can conceive.

To lack faith in such a future is deliberately to deny our own strength, to be traitor to the courage and confidence of our fathers who hewed their own roads and built with their own hands. It is to be ungrateful for the gifts that Science and Nature have showered upon us.

We need a reconsecration of faith in America, of faith in ourselves.

Our people are trustworthy. When we can no longer confide in them to solve their problems out of national courage and inter-racial wisdom, then, and only then, will it be time to print the colophon at the end of America's book.

I deny the existence of enlightened selfishness. There is no such thing. The new formulae upon which we must decide will be designed to save our economic structure and preserve the best features of our civilization. If we approach that decision or its execution in the spirit of selfishness, no formula, no machinery, no proposals will be of the slightest avail.

In the economic reorganization that is to come greed and selfishness must step down and yield to a super-realization that society has been blessed or cursed with a present affluence of raw material and productivity just in proportion as society's leadership is willing to set about sincerely to assure a more equitable division of our abundance.

We need a spirit as much as we need a program. That spirit, serious, solemn, consecrated, exists. It is that spirit which urges us forward to new heights of progress and prosperity, without sacrificing the principles of individual freedom that made us a great nation. It is

that spirit which burns away the dross and leaves the stark realization of the necessity of personal moral and spiritual accountability.

United Attack on Depression

The one primary task before the country today is to recover national prosperity, bring back the flow of employment and thus ensure the beginning of world recovery. This should be the first duty of industry. This should be the first business of government. It should be the first task of politics.

The question is—shall we all together put our shoulders to the wheel of recovery or shall we divide on economic or political lines in mere debates over the issues before us?

This question is a challenge to the two-party system of government and politics in the United States. On the answer might rest the ultimate fate of the two-party principle and of our democracy as it was envisioned.

Party government in the United States rose to the heights demanded by the great emergencies of war. Our nation stood as one, united in spirit, in effort, in common sacrifice, during the World War. The emergencies of peace are no less compelling.

We would open further the doors to the enemies of democracy if we failed to rise to the national and world problems before us. We have had the sorry spectacle of a public sighing with relief at the adjournment of legislatures elected to reflect the people's will. It is a blow to the prestige of popular government that business and industry should stand uncertain and fearful at the prospect of legislation that might hamstring, rather than help, recovery. But it is a greater blow at democracy when dictatorship is suggested as a substitute for the orderly processes of constitutional government. Those who would call the lessons of history to their aid in condemning popular government forget that in adopting the makeshift of ostracism, whereby party strife was quelled by casting out minority leadership from the country, tyranny was ushered in through the front door by ancient

Greece. Popular government has no more effective means of expression than the two-party system, which, however, must respond in peace as in war to the needs of the nation. The type of politics the country needs at this time of national emergency is the politics of national unity aimed at the common enemy—depression; that two parties shall be one party in considering the problems of reconstruction now before us.

Let's Remove the Labels

In our mass attack against this common enemy it might be well to make one huge bonfire of all the labels that obscure pressing issues.

Perhaps we could then see more clearly our common duty and our common purpose. Often the label hides the light. It is the name of the thing rather than the thing itself that is apt to divide us. It's the label pasted to the issue that often may obscure the merits of the cause. There is no real distinction between the liberal conservative and the conservative liberal. Conservatism is a true sign of progress when it holds to the good while it endeavors to achieve the better. That liberalism is misnamed which brings uncertainty and fear and thus invites reaction. Not every man who dreams of a new day may be labeled radical. And yet it is such hidebound distinctions that may endanger a program of common good.

We need to help solve the problem of financial equilibrium among nations, upset by the fact that the whole world is our debtor. We cannot blink the issue by retiring into an oyster shell of isolation, and we cannot solve it by a settlement that would leave the American taxpayer holding the bag.

Nevertheless, except for size and complexity, the problem in principle is the problem often faced and met by business men in the relations between creditor and debtor, when they have a will to solve the problem, and a determination to deal fairly with the issues. The principle is understood by every American business man, by every

American farmer and by every intelligent worker and especially by every one of you.

But what has happened? The label "cancellation", like a pall, covers the whole issue. When a problem that is really a problem of world reconstruction is narrowed down to the word "cancellation", it immediately raises the spectre of higher taxation, of fruitless gifts to nations across the seas, of sacrifices made primarily by the American taxpayer.

Suppose we throw away the label and face the facts. What we see is the urgent need of an international policy of accommodation between creditor and debtor nations developed in amity, properly recognizing definite obligations, actually making for world recovery, starting the wheels of industry and renewing employment. No other kind of handling of the international debt question would serve our own nation, or serve the world. This does not mean that I assent to the premise that even an international debtor is privileged to be the sole judge of his own solvency and capacity to pay.

Reduce Taxation

The problem of mounting taxes—city, county, state and federal—is also of primary importance. Before we can basically aid our situation, we need to tear down the superstructure of unnecessary taxation that municipal, state and federal governments have erected; and that means that we must drastically alter the superstructure of bureaucracy which municipal, state and federal governments have erected on the taxpayers' back.

In a national magazine, the Hon. Alfred E. Smith has been writing a series of articles dealing with the waste of public money. For one of his recent presentations he turned as text to remarks that I made at a business dinner in New York eleven years ago, declaring their truth now as then.

That quotation by Governor Smith was:

"The Government has been growing for one hundred and thirty-two years—but its growth has not been symmetrical like the growth of a tree, nor has it been built up like your own great business institutions. It has been a growth by adding a bureau here and a department there, without any regard to relevancy, appropriateness, efficiency or economy. The result is that if you could visualize Government as a business or administrative unit, you would see something like one of these grotesque spectacles of a big oyster shell to which, in the course of years, big and irregular masses of barnacles have attached themselves without symmetry or relevancy."

Figures published during the past year tell the story more eloquently for the present period. In 1929, the cost of government, we are told, was $14,000,000,000 and interest charges on debts, commercial and otherwise, was $6,000,000,000. Time and again the warning has been sounded against the dangers of mounting governmental costs imposed by legislation which assumed an inexhaustible source of revenue for the United States Treasury.

In 1932 the cost of government is again $14,000,000,000 and interest charges again amount to $6,000,000,000. However, national income has shrunk from $85,000,000,000 to $50,000,000,000.

Therefore, this year, only $30,000,000,000 is left for all of us to apply to commerce and to our living cost.

Thus the depression, alone, reducing our gross national income from $85,000,000,000 in 1929 to $50,000,000,000 in 1932 cuts $35,000,000,000 or 41% from gross national income.

But because the high cost of government and our fixed interest charges stayed static in the face of the declining gross income, our *net* national income has declined from $65,000,000,000 in 1929, to $30,000,000,000 in 1932, a reduction of 54% in what we actually have and can use.

The whole nation demands reduction in the crushing burdens of taxation. The task can and *must* be achieved by greater efficiency in government, as well as by the elimination of unnecessary services.

But, here again, the problem of governmental waste is obscured by the label "economy" under which services vital to city, state and nation may be threatened.

There is a true economy, and there is a false economy. Economy which would destroy any asset of public health, public education and public welfare is *false* economy. Whether any expenditure is true or false economy depends entirely on value received.

The average city, we are told in a technical survey now in progress, would burn in seven hours without a proper water supply; transportation and communications would be completely disrupted; sewage systems would break down and food supplies would fail within a week, and disease would be rampant, without adequate necessary municipal control. This may be a dark picture, but it is not overdrawn if "economy" is to continue to be the label both for true and false economy.

The road to tax reduction is the elimination of governmental waste; it is for government to remain as far as possible in the business of government, rather than in the business of industry or finance, through further experiments in our bureaucratic control.

Measures Taken in Indiana

I am hopeful that the nation will follow Indiana in the measures taken to correct tax abuses. The progress toward that end in recent months by arousing citizen attention to the subject matter will bring these results. It is the one sure way.

As a Hoosier I am proud to congratulate our state on this program and its progress. My duties compel me to be an interested observer nation-wide of similar situations, and as such I voice this appreciation perhaps with more than average knowledge of the facts.

The obvious determination to correct the tax situation in Indiana is a potent illustration of what can be done when the people remember that they are themselves the units composing government and that it will be they who suffer or prosper.

A contributing cause to the prevalence of over-taxation lies in our unwillingness to think deeply on economic problems, as well as in the willingness of legislators to exploit that indifference.

Whatever blame may attach to members of legislative bodies for taking the line of least resistance in providing funds for unnecessary governmental expenditures and creating costly agencies we must take upon ourselves the major responsibility for making such extravagance possible. It is obvious that the people of the nation need a campaign of intensive education on this subject matter such as has been conducted in Indiana.

Consideration of the necessity of the reorganization of the national government suggests the wisdom of changes in our state governmental machinery. I hesitate to urge specific corrections in this presence. I believe that constructive changes will be developed by those whose business it is. I have thought fewer state officials should be elected and more appointed; that there should be some consolidations of state offices; that some township governments may be obsolete and some county governments could be consolidated.

I have thought that there might not be a need for five separate state departments collecting taxes when one state department of finance should suffice.

Circumstances may even warrant that veto power be given to the Governor of a state and, indeed, to the Mayor of a city or the President of the United States to veto any tax appropriation or any item in a tax bill without voiding the whole, when in his considered opinion such an appropriation exceeds the reasonable expectation of current revenue.

I am against *anything* special—special privilege or special excise—and personally would seek the most general distribution both of burden and of privilege.

The Farmer's Problem

I would hope, too, that our state might lead the way in constructive attention to the farm problem. Nationally and locally it is the supreme challenge of the whole economic readjustment. By comparison with 1910, the farmer's taxes have increased 160%. Even today he pays 10% more for what he buys than he did then; and he receives only 60% as much for what he sells. In the last three years, farm prices have dropped 56% while taxes are virtually unchanged. Consequently the Indiana farmer is reduced to the point where he is unable to purchase any luxuries, has few of the conveniences and only part of the necessities of life. He is paying a much greater portion of local, state and governmental expenses than his income justifies, according to benefit received or ability to pay.

The farmer's semi-isolation and independent spirit have not with ease lent themselves to cooperative thought or action. The soil, product, climate, markets, immediate or deferred necessities have made him so. Fifty years ago the farm was a factory. It provided housing, grew and preserved meats and vegetables for family consumption and private barter. Farming was then a way of life, an inclusive method of living, quite independent of taxes, transportation and marketing. Its success was entirely dependent on the diligence and vigor of the household. Everything in the now United States came from the ground, directly or indirectly. The good earth has fed our people, clothed them and built our cities. Today the relative position of the farmer is intolerable. The farm problem is, too, essentially an unemployment problem—the unemployment of the product of the farm. I hold the problems of unemployment of men and materials must be solved together. The need of the farmer cries aloud for his self-attention and for the exercise of the American principle of equality

of opportunity. The solution of the problem stands high in the necessities for national progress and safety.

Problems of Unemployment

We need to face as frankly the whole problem of unemployment. Better business is bound to bring a certain measure of re-employment, but we cannot close our eyes to the technological processes that are assumed to destroy the need for human labor.

We have gone very far, in this Machine Age, from the day when hand labor could keep every employable man employed. The ancient brick-maker might hope to make 400 bricks per day per man. Today we can produce, it is said, nearly 400,000 bricks per day per man. Under the old processes of mining, a single man might have produced twenty tons of pig iron in a year; in 1929 we mined at the rate of 20,000 tons per man per year. And similar examples might be cited in every field.

It is possible that not more than half of our present unemployed could be absorbed again into production at their former jobs, even if our factories should return to the 1929 schedules, so great has been the progress made in the development of technological processes during the past three years of depression.

The machine, it is clear, not only creates power, goods and services —it creates leisure. The question is: Shall the machine be used to create destructive leisure and unemployment, or productive leisure and the opportunities for a fuller life?

Here, again, we meet an unnecessarily frightening label. If work is good, then leisure is bad, many are likely to argue.

It is not within the province of the machine to solve the problems which it creates. That is the function of society. We attack the machine for its productiveness with the same logic that we slam the shutter which has swung into our nose, because we failed to control it.

It is through the Machine Age that man is realizing his age-long struggle for comfort and leisure. Technological progress has made

possible a standard of life undreamed of in the days of manual labor. In a properly balanced society, technological progress and social progress should be contemporaneous and synonomous. The machine translates to the humblest home the beneficence of science, of art, of invention. The solution of our industrial problem is not to place a halter upon the progress of the Machine Age.

Benefits of Constructive Leisure

I look with no foreboding upon the effect of a shorter work week or a shorter work day in industry.

There are those who are clamoring for invention to create new industries to take up the slack of unemployment in the United States. Distinguished economists tell us that the ultimate solution of our unemployment problem must come with the great expansion of cultural services which will not produce goods to further glut already overcrowded markets.

But what about the *new* industries, new services, new markets and new employment opportunities which constructive leisure itself could create?

The talking film, for instance, is one of the latest products of our technical laboratories. It has suffered like all other arts and industries, through the general, world-wide economic depression, but there is and there can be no saturation point in the public need of entertainment, information or education.

The problem before the motion picture entertainment industry, as before other industries, is the problem of rebuilding and surviving during a period in which it is vitally necessary for the nation to readjust itself, not to the plane of depression, but to a plane of prosperity.

Motion Picture Industry

Whatever further industrial readjustment may be made necessary by the conditions which face the motion picture industry it is significant that new story values, new dramatic vitality, new fields of entertainment enterprise have marked the artistic growth of the screen

even during the worst period of depression. The fundamental fact is that for the millions there is no theatre but the motion picture theatre; there is no drama but the drama of life on the screen; there is no other medium than the screen that can bring in such graphic form the best that art, and literature, and life have to offer at a cost normally within the reach of every family.

From the social standpoint even now, the motion picture screen is only at the beginning of its development. It has still to show its great possibilities in the field of selective or higher entertainment, in addition to its vast service as a *popular* entertainment medium. It has still to make its mark as an educational agency in every school and college in the land. It has still to occupy the field of adult re-education. Constructive leisure, it is clear, would extend enormously the function of the screen in the fields of information, education and culture. But I cite the case of the talking film merely as an example.

Consider the opportunities that would be opened to the whole field of educational and cultural effort by a developed era of constructive leisure. The public press would gain vastly in renewed importance. Books, magazines and other reading media would multiply through the greater opportunity of reading which leisure would afford. A new competition would arise to entertain, inform or educate a public with more leisure at its disposal.

The problem of the shorter working week and the problem of what to do with the added leisure it envisions are too great to be obscured by the label "paternalism" which such a program immediately brings into view. These are problems we must face and meet with courage and confidence, regardless of the isms with which they might be mislabeled.

Laws That Hinder Business

We are still the victims of archaic and incompetent laws intimidating commerce and placing business in a straight-jacket because, forsooth, such laws were believed necessary and just at some early

stage of our industrial history. We can afford no laws that do not aid business, make for greater employment, larger initiative, and add to the prosperity of the nation. This has never been more true than now.

None can argue against the principle of fair competition in American industry. But there is fair competition that is the life of trade, and there is destructive competition that is the death of trade. And yet a single label covers them both.

In some of our industries salvation may lie in the further combination of natural units. Such mergers or working agreements may be undeniably in the public interest, affect the savings of hundreds of thousands of stockholders, continue the employment of men and women whose jobs are now threatened, and tend to rejuvenate the entire industry. But what are the facts that we face? However constructive the plan that might be offered, the sign "Do so at your peril!" faces business, whether it turns to law, legislation or government.

The cry of "unfair competition" uttered by a single factor that had come to reap but not to sow may be sufficient to place in jeopardy a structure that would stabilize an industry, give continued employment to many thousands and help towards the goal of economic planning to which large scale initiative and enterprise can contribute.

Here is another place where the label, once removed, would help clarify the problem of legislation with regard to industry. True competition needs no labels to protect it. The measure of fair competition lies in the opportunity that remains open to individual enterprise, small or large. It does not lie in the fact that competitors are encouraged to overcrowd an industry, to kill each other off in the struggle for existence, to destroy invested capital, throw men and women out of work and deepen existing depression. And yet so viciously misleading may be the force of a label or a judicial misinterpretation that

it would seem more important to protect the principle of alleged competition than the existence of competitors!

Where We Go from Here

And so,—where do we go from here?

Let's run up the flag again.

We have heard that we were going to the dogs ever since America started—and we haven't arrived there yet.

The sons of Jeremiah have wailed and whined their warnings at each cross-road of crisis from the days of Washington, and we have regularly turned to the right.

There are no Christopher Columbuses among our prophets of ruin and disaster. They're all plagiarists, repeating threadbare phrases from dead and discredited pessimists, who successively exhausted the vocabularies of gloom and hopelessness, in their efforts to convince their respective contemporaries that opportunities had petered out, and that we were headed straight for the junk pile, whenever yesterday had a breakdown or halted for repairs.

We are apt to forget that we're a very young people. Our life span hasn't yet covered two centuries. We may loom like a giant among the nations, but we are a nation still in the throes of adolescence. And the childhood of nations, just as the childhood of individuals, is an era of errors.

We have committed, and we shall indefinitely commit, the errors of judgment to which youth is prone.

Youth is impetuous, cocky, over-enthusiastic, and inclined to confide in experiment rather than precedent.

And the muddles in which we are now floundering are just the sort of economic messes which a high-strung, vital and somewhat reckless generation would be expected to create.

We were too successful too soon.

Destiny chose for our adventure the most lavishly endowed of all

continents—a land of richer soil, a land richer in mines and chemicals and building-stuffs and fibres, than any comparable space in the universe.

We inherited Golconda, Ophir, the Golden Hesperides, the fabulous resources of Ind, rolled into one—and *then* some.

And the values we have so far gleaned from these incalculable natural stores are as mole-hills to mountains, compared to what our descendants will gather in their turn.

Because there are a few present problems that have buffaloed the best minds of 1932, we dare to conclude that we haven't bred a successor intelligence that won't later tackle the situation and make child's play out of it.

But there's nothing unique in such attitude of mind. History remembers your grandfathers and *theirs*. The whole Adamson tribe, clear to the founder of the line, has had a habit of selling posterity short.

And human nature hasn't since changed one iota. We dress ourselves and our thoughts differently—we continue to grow more, to know more, from decade to decade—but despite eternal evidence that the stumbling blocks of one year become the stepping stones of the next—that difficulties are merely the whetstones on which we sharpen the wits to cut through them—that physical and economic derangements are regularly the inspiration for permanently curative remedies —one-half the folk in the United States stand ready to condemn our whole economic, political, social and industrial fabric as an obsolete and incompetent structure.

Convalescence

There's nothing irreparably the matter with our set-up.

The ablest-devised machine on earth will go haywire without constant supervision and timely adjustment.

Every joy-ride ends in a repair shop, and we went joy-riding—one hundred and twenty million of us broke the speed laws, disre-

garded the red lights, threw open the throttle and met in united collision, in 1929.

One hundred and twenty million of us are groaning from the bruises and headaches and heartaches and purseaches which our consolidated recklessness invoked.

Now it's the morning after. We're reaching for the bromo-seltzer bottle, studying the bill of damages, discovering that the jag wasn't worth the price and wondering where we go from here.

We go back to sound living, sane thinking, and thrifty fundamentals, as usual.

Old Baldy is through with high flying, and sitting repentantly on his perch.

He may be a bit bedraggled, and he may have a few gray feathers; but as a mint mark he's still twenty-four carat fine.

We're moving out of the lotus garden and into the corned-beef and cabbage patch where we started.

We thought we needed a prohibition act; what we actually required was a Constitutional amendment against delusions of financial and industrial grandeur, which suddenly changed a sober and cautious people into a group of irresponsible power drunkards.

Everybody was so busy keeping up with the Joneses that nobody bothered to keep track of the *Jonahs* who were over-weighting the Ship of State, municipal budgets, county and federal administrations, with barreled pork, and delivering the rudder to confusion, experiment and extravagance.

Common sense hasn't been on the job in America, and its harebrained substitutes have landed us in a fiscal, political and business jam. And the only way to get back to normalcy is to back track to the sound and verified practices in which our pre-crash solvency and stability were vested.

We're paying the penalties of selfishness, of careless citizenship and voracious opportunism.

We have over-extended and overpromoted and prematurely anticipated a dividend capacity which still exists, but which could not be forced to fruition by the devices of high power salesmanship, or indefinitely maintained by the sophistry of installment purchasing.

We have refused to admit the existence of periodic saturation points, blindly gorged every outlet with temporarily unconsumable merchandise, pushed agricultural acreage to the point of unmarketable yields. And the pharmacopoeia of economics is momentarily unable to prescribe any remedy for the resultant indigestion.

Therefore, experience must again be called into consultation, to remind us that moderation is the timeworn path back to a healthy system.

We have raised the *white* flag of surrender before the pirate banners of the racketeer and the gangster, to the shame of our forefathers and to the contempt of our children, because we are too busy with individual knitting to repulse corruptive influences that imperil both national morale and morals.

We have drowsed at the gate while Trojan Horses filled with un-American thought and un-American habits, have invaded our strongholds to undermine Constitutionalism, incite discontent, and sow the dragon's teeth of radicalism and political revolt.

These are the things that happened when we discarded homespun thinking and alert citizenship for popinjay pretense and the fleshpots of Egypt.

Where do we go from here? To the sawbuck or we stay in the red-ink bottle; to a full day's grind at the office, to thoroughness, to patriotic thinking, to cross-checked figures, to rainy-day savings, to old-fashioned banking, to balanced budgets—domestic and national.

The answers to the problems which we personally and Federally face aren't hanging around golf links—they don't lie abroad—you won't find them printed on the stock-ticker, and the social register isn't the handbook to reveal them.

The panaceas for our ills and the flames at which we must relight the torches of confidence have been bequeathed by Washington, by Jefferson, by Abraham Lincoln, handed down by Andrew Carnegie and Theodore Roosevelt, who lived and achieved in the American spirit; and from whom we derived the impetus that carried us safely, triumphantly and solvently through every past crisis and to constantly higher peaks of prosperity and distinction.

And *not* until we re-take example from them, and walk in their footsteps, shall we resume our march to greater accomplishment and assured futures.

We'll gradually solve the puzzle of replacing the workers who have lost their jobs to robot substitutes. That's been happening ever since the first scythe reduced the number of harvest hands who had hitherto uprooted wheat stalks by fist.

The dislocation of labor by machinery is as constant as the tides. Jacquard's loom and Arkwright's spinning jenny, for a while, filled France and England with jobless manual-weavers; Stephenson's locomotive dragged thousands of carters and postillions from their perches; the industrialization of steam, electricity, compressed air—every time-saving, man-saving thought that has occurred to ingenuity, in turn, created problems of readjustment such as those with which we are now dealing.

And society, at every stage, has successfully met those problems by providing more remunerative and less onerous tasks in their stead. So shall we. It will take a little time—but everything takes time.

But there are more unhatched eggs in the nest of possibility than chicks that have pecked through the shell.

We'll have more automobiles and *better* ones—we'll have more aeroplanes and *faster* ones—we'll have more industries and *vaster* ones.

We always do better when the need arises. The hour invariably locates the required man and method. And I predict that out of this bog into which we have floundered America will emerge ten times more competent to provide comforts, work and fortunes for our people.

Hardship is the foster mother of effort. We never do our best until we face the worst. Nobody would have thought of mustard-plasters if lumbago hadn't suggested their necessity.

And, just so, all these pains that are shooting through the body-economic have set minds to work from here to Heligoland to provide panaceas and vaccinations against their re-occurrence.

Burnt children dread the fire, and enough of us have been burned in the past four years to realize that we can't safely monkey with certain forms of fire without being seared and blistered.

When we know what's wrong, we're on the way to doing what's right. And in my judgment, we're pretty well at the turning point of both discovery and recovery.

Meanwhile it is well to reflect that we have invited most of the woes in sight by doing all of the things that *father told us not to do.*

We have sighed too long for supermen to lead us out of the wilderness.

I appeal to the common sense, the common patriotism and the self-confidence of the folk from which we came.

Certainly we were not without warning from the wise experience of our fathers of the hectic road we have traveled during the past four or five years.

Forewarning in the Copybook

I can find a warning in the old copybook which if followed would have led us away from the disaster.

Father told us to stick to our lasts, and *not* risk money in enterprises of which we knew nothing.

The copybook said, "Be prudent, don't gamble." We are now recovering from the greatest orgy of speculation that ever struck the country.

Father told us to look before we leaped, and *not* borrow beyond our repayment capacity.

The copybook said, "Live within your means."

Millions are still paying on the installment plan for a short and hectic prosperity.

Father told us to go slow and make certain that the brake was working before we whipped the team.

The copybook said, "Don't be wasteful." And we have over-produced, over-grown, oversold, until we have flooded all markets.

Father told us to mind our own business, not be universal busy-bodies.

Remember the copybook, "Charity begins at home." We are now paying for the distinction of being the friend of all the world, and some of our generosity has brought the affection that the hard-pressed debtor usually displays to his creditor.

It is our duty in turn to re-preach those sound teachings to our sons and confess that father knew best.

If we will just revert to common sense and ordinary caution there will be nothing to worry about.

We are still the richest nation of all time—both in cash and in possibility.

If we do not lose our nerve, we have lost nothing that cannot be replaced or retraced.

Where do we go from here? *Ahead,* of course. Come on. Let's go!

UNITED FARMERS TRADES AND LABOR COUNCIL NEW YORK, N.Y. 172

WHT.BN.0276